

Financial Statements

**Redevelopment Authority
of the County of Delaware
(A Component Unit of
The County of Delaware, Pennsylvania)**

December 31, 2021



A Professional Corporation
Certified Public Accountants

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A Professional Corporation
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Redevelopment Authority of the County of Delaware
Media, Pennsylvania

Opinion

We have audited the accompanying financial statements of the governmental activities of the Redevelopment Authority of the County of Delaware, a component unit of the County of Delaware, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Redevelopment Authority of the County of Delaware's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Redevelopment Authority of the County of Delaware, a component unit of the County of Delaware, Pennsylvania, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Redevelopment Authority of the County of Delaware, a component unit of the County of Delaware, Pennsylvania and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Redevelopment Authority of the County of Delaware, a component unit of the County of Delaware, Pennsylvania's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Redevelopment Authority of the County of Delaware, a component unit of the County of Delaware, Pennsylvania's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the doubt Redevelopment Authority of the County of Delaware, a component unit of the County of Delaware, Pennsylvania's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Rainer & Company

Newtown Square, PA
June 23, 2022

**REDEVELOPMENT AUTHORITY
OF THE COUNTY OF DELAWARE**
Management's Discussion and Analysis (Unaudited)
December 31, 2021

Our discussion and analysis of the Redevelopment Authority of the County of Delaware provides an overview of the Authority's financial performance for the calendar year ended December 31, 2021. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A). Please consider the information presented here in conjunction with the Authority's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of the most recent calendar year by \$1,576,247 (representing its net position). The unrestricted net position may be utilized to meet the Authority's ongoing obligations.
- During the year the Authority's total net position decreased by \$87,136.
- During the year the Authority incurred \$93,976 in expenses. In addition, the Authority earned \$6,000 in program revenues and \$840 in investment earnings.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of two parts: Management's Discussion and Analysis (MD&A) and the basic financial statements. This MD&A represents management's analysis of the Authority's financial condition and performance. Summary financial statement data and other management tools were utilized for analysis. These financial statements report information about the Authority using the full accrual accounting methods as utilized by similar businesses in the private sector.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The Statement of Net Position includes all of the Authority's assets and liabilities with the difference between the two reported as net position. It also provides information about the nature and amounts of investments in resources (assets) and the liabilities to the Authority's creditors at year-end. It provides the financial position on a full accrual historical cost basis.

All of the current year revenue and expenses are accounted for in the Statement of Activities. This statement presents the result of the activities over the course of the fiscal year and how net position has changed during that year.

The notes to the financial statements provide required disclosures and other information essential to the Authority's accounting policies, significant accounts and activities, obligations, commitments and subsequent events, if any.

**REDEVELOPMENT AUTHORITY
OF THE COUNTY OF DELAWARE**
Management's Discussion and Analysis (Unaudited)
December 31, 2021

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table presents condensed comparative financial information for the net assets of the Authority for calendar years 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Assets:			
Current Assets	\$ 688,470	\$ 848,716	\$ (160,246)
Other Assets	1,024,199	1,024,199	0
TOTAL ASSETS	<u>\$ 1,712,669</u>	<u>\$ 1,872,915</u>	<u>\$ (160,246)</u>
Liabilities and Net Position:			
Current Liabilities	\$ 136,422	\$ 209,532	(73,110)
Net Position	1,576,247	1,663,383	(87,136)
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,712,669</u>	<u>\$ 1,872,915</u>	<u>\$ (160,246)</u>

The following table presents condensed comparative financial information for the revenue and expenses of the Authority for calendar years 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Revenues:			
Program Revenue	\$ 0	\$ 475,914	\$ (475,914)
County Support	0	3,267,500	(3,267,500)
Interest and Other Income	6,840	5,890	950
TOTAL REVENUES	<u>6,840</u>	<u>3,749,304</u>	<u>(3,742,464)</u>
Expenses:			
Program Expenses	67,848	5,911,642	(5,843,794)
Operating Expenses	26,128	80,155	(54,027)
TOTAL EXPENSES	<u>93,976</u>	<u>5,991,797</u>	<u>(5,897,821)</u>
Transfers Out	0	(995,454)	995,454
CHANGE IN NET POSITION	<u>\$ (87,136)</u>	<u>\$ (3,237,947)</u>	<u>\$ 3,150,811</u>

**REDEVELOPMENT AUTHORITY
OF THE COUNTY OF DELAWARE**
Management's Discussion and Analysis (Unaudited)
December 31, 2021

ECONOMIC OVERVIEW

COVID-19 Direct Business Relief Efforts:

- Delco Strong Small Business Support Grant Program / December 2020 – February 2021
Over the course of twelve months between 2020 and 2021, Delaware County Council provided local support to small businesses through the Delco Strong Small Business Support Grant Program. There were also two rounds of funding to support Non-Profits in the County. These programs were administered by the Delaware County Commerce Center. In total over \$16,000,000 in grant funding was supplied to more than 1,700 small businesses and non-profits in Delaware County to help sustain their entities through the pandemic. The last round "Delco Strong Rapid Response" was specific to the industries directly impacted by the Pennsylvania mitigation order issued in December of 2020. The round opened in December 2020 and closed in February 2021. Over 279 small businesses largely in the restaurant, tavern, gym, instructional activity sectors received \$3,043,500 to support their operation through the pandemic required reduction of service or temporary closure.
- PA CHIRP (Covid- 19 Hospitality Industry Recovery Program) March 2021 - June 2021
Following Delco Strong, Pennsylvania created the statewide CHIRP program through Act 1 of 2021. The program targeted small business entities in the Accommodation and Food Service Industries. Delaware County Commerce Center was appointed by Delaware County Council to be the local administrator for this state program that funded 211 businesses with \$6,000,000 in support funding. Of the grants provided the average award to a Food Service was \$29,000, to Accommodations \$44,000.

Strategic Planning:

In 2021 The Delaware County Economic Development Oversight Board selected Econsult Solutions of Philadelphia through a competitively bid process in order to evaluate the Delaware County Commerce Center organization and evaluate what the program of economic development work should be post-pandemic. The main focuses of the plan are twofold: supporting the small business economy and transitioning grey space within Delaware County. In order to accomplish these tasks, the Delaware County Commerce Center will hire additional staff to provide support and programs to both endeavors while increasing their collaboration with the economic and community contributors in Delaware County.

Festival of Lights and Holiday Village December 2021

An early insight from the strategic plan pointed out \$2,000,000,000 in retail leakage within Delaware County. Partnering with Delaware County Parks and Recreation and the Delaware County Chamber of Commerce, Delaware County Commerce Center sought to institute an outdoor market during the Holidays comprised of local small business owners. Rose Tree Park hosts an annual, known Light Festival through the month of December, and with the expanse of this signature park provided opportunity to include vending opportunities. Capital improvements were made in the park to accommodate the additional activity, and assistance was provided to the Parks Department to upscale the lighting. We infused six Holiday Market Nights that provided 72 retail vendor, and 20 food truck vendor opportunities. The Park experienced a dramatic uptick in the number of visitors over prior years of roughly 300%.

REDEVELOPMENT AUTHORITY
OF THE COUNTY OF DELAWARE
Management's Discussion and Analysis (Unaudited)
December 31, 2021

ECONOMIC OVERVIEW (Continued)

Some examples of other projects that are initiated and ongoing in Delaware County:

- Installation of new natural gas line to Kimberly Clark Plant will result in a \$150MM conversion of the coal fired plant to gas. Not only will this trigger significant reduction in carbon emissions, it will also ensure the future of the largest manufacturing facility in the City of Chester. Assisted by the Delaware County Redevelopment Authority with a \$6MM State Capital Grant.
- Main Line Health continued their renovation of the Birthplace at Riddle Hospital in 2020 investing over \$3MM in total project cost, assisted by the Delaware County Redevelopment Authority administration of a \$1.5MM State Capital Grant.
- Brandywine Museum and Conservancy of Art initiated renovations and upgrades to their museum building with total estimated project cost over \$4M, assisted by the Delaware County Redevelopment Authority administration of \$2MM State Capital Grant.
- Franklin Mint redevelopment, an approximate 82-acre campus on Route 1 and Route 452 continued construction of their multi-use development to include retail, office and housing. The estimated total project cost of \$500MM + is being assisted by the Delaware County Industrial Development Authority with administration of a State Capital Grant of \$5MM.
- Adjacent to the Franklin Mint development, the Pond's Edge 32-acre mixed use development continues with the development of a new state police barracks, retail strip and housing. The total estimated project cost is \$30MM + and assisted by the Delaware County Industrial Development Authority administration of a \$5MM State Capital Grant.
- Delaware County 911 Communication System Upgrade. An overall of the 911 communication system estimated to exceed \$40MM in cost supported by \$6MM in state grant funding facilitated by Delaware County Industrial Development Authority.
- Delaware County Community College (DCCC) expansion campus in Upper Darby. DCCC is redeveloping a former catholic high school to increase enrollment and educational offerings. This program was supported by state grants in the amount of \$4.25M.
- CHOP in Millbourne. Children's Hospital of Philadelphia expects to occupy a new building at the former SEARS site in Millbourne in 2022. The building will accommodate support services for their pediatric hospital and outpatient centers.
- Monroe Energy is making investments in their facility with electrical upgrades and a new cooling tower. The investments reduce energy consumption and water usage of this manufacturing facility.
- The former FMC Site in Marcus Hook, which has sat vacant for decades is in process of redevelopment. The property will become a light industrial warehouse facility.
- The former Foamex manufacturing facility in Eddystone is in process of redevelopment transforming into multi-tenant light industrial warehouse facility.

REQUESTS FOR INFORMATION

The financial report of the Redevelopment Authority of the County of Delaware is intended to provide readers with a general overview of the Authority's financial operations as well as to demonstrate the Authority's accountability for its public appropriations or subsidies and grants. Questions concerning any of the information provided in this report or additional requests for financial information should be addressed to Commerce Director, Delaware County Commerce Center, 100 West 6th Street, 1st Floor, Media, Pennsylvania 19063.

REDEVELOPMENT AUTHORITY
OF THE COUNTY OF DELAWARE

Statement of Net Position

December 31, 2021

ASSETS

Current:

Cash and Cash Equivalents	\$ 658,630
Cash - Escrow	18,834
Prepaid Expenses	11,006
TOTAL CURRENT ASSETS	688,470

Noncurrent:

Land	1,024,199
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TOTAL ASSETS	\$ 1,712,669
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LIABILITIES

Current:

Accounts Payable and Accrued Expenses	\$ 94,325
Escrow Payable	18,834
Due to Other Governments	23,263
TOTAL CURRENT LIABILITIES	136,422

NET POSITION

Invested in Capital Assets	1,024,199
Unrestricted	552,048
TOTAL NET POSITION	1,576,247

TOTAL LIABILITIES AND NET POSITION	\$ 1,712,669
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The accompanying notes are an integral part of this statement.

REDEVELOPMENT AUTHORITY
OF THE COUNTY OF DELAWARE
Statement of Activities
For the Year Ended December 31, 2021

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Fees, Fines, and Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Program Revenues - Other</u>	
Governmental Activities:					
General Government	\$ 26,128	\$ 0	\$ 0	\$ 0	\$ (26,128)
Program Expense	67,848	0	0	(6,000)	(61,848)
TOTAL GOVERNMENTAL ACTIVITIES	93,976	0	0	(6,000)	(87,976)
General Revenues:					
Investment Earnings					840
Transfers Out					0
CHANGE IN NET POSITION					(87,136)
Net Position - January 1, 2021					1,663,383
NET POSITION - DECEMBER 31, 2021					<u>\$ 1,576,247</u>

The accompanying notes are an integral part of this statement.

REDEVELOPMENT AUTHORITY
OF THE COUNTY OF DELAWARE
Notes to Financial Statements
December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies

The Redevelopment Authority of the County of Delaware (the "Authority") financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Authority are discussed below.

A. Reporting Entity

The Redevelopment Authority of the County of Delaware (the "Authority") was created by the County of Delaware (the "County") for the delivery of services to County residents, pursuant to the Urban Redevelopment Law, Act of 1945. The Authority acts as the vehicle for condemnation and development within the County. The Authority had previously acted as an agency for the County in planning, coordinating, and administering various development and rehabilitation grants primarily for the benefit of low to moderate income groups located in the County. The majority of the Authority's assets and liabilities were transferred to the County on July 31, 1991. All community development activities became the responsibility of the Delaware County Planning Department.

The Authority is a component of the County. Delaware County Council appoints its Board of Directors. The Authority is considered a component unit because of the significance of its operational and financial relationship with the County.

B. Government-Wide and Proprietary Fund Net Position

Government-wide net position is divided into two components:

Invested in Capital Assets, Net of Related Debt - Consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Unrestricted - Consists of all other net position reported in this category.

NOTE 2 - Deposits and Investments

Deposits - At year end, the total carrying amount of the Authority's checking, savings and escrow deposits was \$677,464 and the corresponding bank balance was \$677,964.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. In the normal course of business, the Authority may have deposits that exceed insured balances.

REDEVELOPMENT AUTHORITY
OF THE COUNTY OF DELAWARE
Notes to Financial Statements
December 31, 2021

NOTE 3 - Land

At the balance sheet date there were numerous parcels of real estate including several homes, which were owned by the Authority. These parcels were acquired at either no cost or minimal cost and there has been no dollar value assigned to the real estate for financial statement purposes with the exception of land purchased at a total cost of \$1,024,199 during 2009 and 2010 with funding provided by the County.

NOTE 4 - Escrow Payable

Escrow payable represents monies owed to contractors upon project termination.

NOTE 5 - Due to Other Governments

Due To Delaware County Economic Development Oversight Board	<u>\$ 23,263</u>
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NOTE 6 - Subsequent Events

The Authority has evaluated subsequent events through June 23, 2022, which represents the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact operating activity. Other financial impact could occur though such potential impact is unknown at this time.